



J. TYLER McCaULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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December 9, 2005

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: J. Tyler McCauley *for* 
Auditor-Controller

SUBJECT: **INSTITUTE FOR MULTICULTURAL COUNSELING & EDUCATION
SERVICES CONTRACT REVIEW**

We have completed a contract compliance review of Institute for Multicultural Counseling & Education Services (IMCES or Agency), a Department of Mental Health (DMH) service provider. The review was conducted by the Auditor-Controller's Countywide Contract Monitoring Division (CCMD).

Background

DMH contracts with IMCES, a private, non-profit, community-based organization, which provides services to children and their parent(s) in Service Planning Area numbers two and four. Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan. Our review focused on the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program, which is Medi-Cal's comprehensive and preventive child health program for individuals under the age of 21. IMCES' EPSDT billable services include Targeted Case Management Services (TCMS), Mental Health Services (MHS), and Medication Support Services. IMCES' headquarters is located in the Second District.

For our review period, DMH paid IMCES \$1.70 per minute of staff time (\$102.00 per hour) for TCMS and \$2.13 per minute of staff time (\$127.80 per hour) for MHS. IMCES did not bill DMH for Medication Support Services during the review period. For Fiscal Year 2004-05, DMH contracted with IMCES to provide approximately \$525,000 in EPSDT funded services.

"To Enrich Lives Through Effective and Caring Service"

Purpose/Methodology

The purpose of the review was to determine whether IMCES provided the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service levels. Our monitoring visit included a review of a sample of IMCES' billings, participant charts, and personnel and payroll records. We also interviewed staff from IMCES and interviewed a sample of the participants' parents or guardians.

Results of Review

Overall, IMCES provided the services outlined in the County contract. IMCES used qualified staff to perform the services, and the participants' parents or legal guardians interviewed stated the program services met their expectations.

However, for 715 (20%) of the 3,532 service minutes sampled, IMCES over billed DMH. For example, for 620 minutes, the Agency did not appropriately allocate the clinicians' time providing group services between the participants that attended the sessions, as required by the County contract. IMCES explained that the data entry staff were not aware of the correct procedures for entering group services in the DMH billing system. The amount of the over billings totaled \$1,521.

Based on their explanation for the over billings, we recommend that IMCES review two additional months of group service billings to identify instances in which they did not appropriately allocate the clinicians' time between each participant that received those services. If additional instances are noted, IMCES should expand their review to include Fiscal Year 2004-05 and repay DMH the amounts over billed.

The Agency also did not sufficiently document 195 (6%) of the 3,087 service minutes sampled. Specifically, the Agency billed for Mental Health Services but the progress notes did not describe what was attempted and/or accomplished by the individual or the service staff towards achieving the clients' goal(s), as required by the County contract.

Review of Report

We discussed the results of our review with IMCES on August 10, 2005. In their attached response, IMCES disagreed with the need to review group billings for November and December 2004, for data entry errors similar to the errors noted in our report. Despite their disagreement, the Agency reported that they completed a review of the group billings for November and December 2004 and found no errors.

We thank IMCES management for their assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Dr. Tara Pir, CEO/Executive Director, IMCES
Public Information Office
Audit Committee

**COUNTYWIDE CONTRACT MONITORING REVIEW
EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT PROGRAM
FISCAL YEAR 2004-2005
INSTITUTE FOR MULTICULTURAL COUNSELING & EDUCATION SERVICES**

BILLED SERVICES

Objective

Determine whether Institute For Multicultural Counseling & Education Services (IMCES or Agency) provided the services billed in accordance with their contract with DMH.

Verification

We selected 3,532 minutes from 25,427 service minutes that IMCES billed DMH for August and September 2004 and reviewed the progress notes and Client Plans maintained in the clients' charts. The 3,532 minutes represent services provided to 26 program participants as reported by the Agency.

Results

IMCES over billed 715 (20%) of the 3,532 service minutes sampled resulting in over billings totaling \$1,521. Subsequent to our review, the Agency deleted the 715 minutes from the DMH billing system to begin the process of repaying the amounts over billed. Specifically we noted the following:

- For 620 minutes, the Agency did not appropriately allocate the clinicians' time spent providing the group services between the participants that received the services, as require by the County contract. The over billing represented the difference between the total minutes that the Agency billed DMH for the selected participants (857 minutes) and the actual minutes that should have been billed for the selected participants (237 minutes).

IMCES management explained that the data entry staff were not aware of the correct procedures for entering group services in the DMH billing system. Based on their explanation for the over billings, IMCES needs to review their billings for group services in November and December 2004 to identify instances in which they did not appropriately allocate a clinician's time between each participant that received those services. If similar instances are noted, the Agency needs to expand their review to include Fiscal Year 2004-05 and repay DMH for the amounts over billed.

- For 90 minutes, the Agency billed twice for the same service.
- For 5 minutes, the Agency billed 35 minutes but the progress note to support the billed minutes indicates 30 minutes.

The Agency also did not sufficiently document 195 (6%) of the 3,087 service minutes sampled. Specifically, the Agency billed for Mental Health Services but the progress notes did not describe what was attempted and/or accomplished by the individual or service staff towards achieving the clients' goal(s), as required by the County contract. The insufficiently documented billings totaled \$415.

Client Plans

IMCES developed Client Plans for 23 of 26 participants in our sample. Three (13%) of the 23 Client Plans were not signed by the participants or legally responsible adults, as required. IMCES needs to ensure that the participants and/or legally responsible adults sign the participants' Client Plans or document the reasons why the plans were not signed.

Recommendations

IMCES management:

- 1. Ensure staff correctly enter group service billings in the payment system and repay DMH \$1,521 for the amount over billed.**
- 2. Review billing for group services in November and December 2004 to identify instances in which they did not appropriately allocate a clinician's time between each participant that received those services. If similar instances are noted, the Agency needs to expand their review to include Fiscal Year 2004-05 and repay DMH for the amounts over billed.**
- 3. Maintain sufficient documentation to support its compliance with contract requirements.**
- 4. Ensure that the participants or legally responsible adults sign the participants' Client Plans or document the reasons why the plans were not signed.**

CLIENT VERIFICATION

Objectives

Determine whether the program participants actually received the services that IMCES billed DMH.

Verification

We sample 10 program participants to interview their parent and confirm that the participants are clients of IMCES and that they received the services that the Agency billed DMH.

Results

The parents interviewed stated that the participants were clients of IMCES and were satisfied with the services that the Agency provided to the children.

Recommendation

There are no recommendations for this section.

STAFFING LEVELS**Objective**

Determine whether ratio requirements are consistent with the ratio requirements indicated in the County contract for Day Rehabilitation and Day Treatment programs.

Verification

We did not perform test work in this area since the Agency does not have a Day Rehabilitation or Day Treatment program.

Recommendation

There are no recommendations for this section.

STAFFING QUALIFICATIONS**Objective**

Determine whether IMCES' treatment staff possessed the required qualifications to provide the services.

Verification

We reviewed the personnel files for 19 of 24 IMCES treatment staff and reviewed documentation to support their qualifications.

Results

Each staff person possessed the required qualifications to deliver the services billed.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objective**

Determine whether IMCES' reported service levels for Fiscal Year (FY) 2004-05 did not significantly vary from the service levels identified in the DMH contract.

Verification

We obtained a report of EPSDT billings from the State Explanation of Balances data for FY 2004-05 and compared it with the Agency's total EPSDT contracted level of service identified in the contract for the same period.

Results

Our review of recorded payments by DMH disclosed that the Agency's actual service levels did not significantly vary from its contracted service levels. For FY 2004-05, the Agency's contracted service level for EPSDT funded services was approximately \$525,000 and the actual EPSDT funded services paid was approximately \$478,000 (90%). IMCES management indicated many claims are still being process and they expect to utilize the remaining EPSDT funds.

Recommendation

There are no recommendations for this section.

I.M.C.E.S.
Institute for Multicultural Counseling and Education Services, Inc.

A non-profit organization

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October 19, 2005

J. Tyler McCauley
Los Angeles Auditor Controller
500 West Temple, Room 525
Los Angeles, California 90012

Dear Mr. McCauley,

The Institute for Multicultural Counseling & Education Services, Inc. (IMCES) has reviewed the auditor-controller's contract monitoring review of the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Program for services provided during the months of August and September 2004. IMCES appreciates the opportunity to respond to some of the audit exceptions and recommendations.

We are pleased that the auditor-controller verified that as a new contractor beginning January 2004, in general, we performed above average with only 6% documentation error. Also, as the auditor confirmed, we are indeed providing the services as indicated in DMH billing based on parental interviews and that the parents interviewed were satisfied with the services provided. We are also pleased that the auditor-controller found that the IMCES staff possesses the required qualifications to deliver the services billed. The following is our response and action plan to ensure quality and continuity of care and to demonstrate our commitment to fulfilling the contractual agreement with DMH.

Recommendation #1: Ensure staff correctly enter group service billings in the payment system and repay DMH \$1,521 for the amount over billed.

In an attempt to rectify the over billing of 715 minutes, IMCES, with good faith, initiated deleting items which were incorrectly entered by clerical error and as a result appeared to be over billing. IMCES deleted the minutes from the DMH billing system to begin the process of repayment and the verification of deletion was submitted to the auditor. However, due to the IS system problems, we were unable to reenter the correct number of units into the IS system and as a result we lost the entire amount. In addition to this, we have had a similar experience in the past where we were instructed by the IS Help Desk to delete errors with the intent to reenter the correct items using a late code. Again, we were not able to reenter the correct units of service because the IS late code was never approved by the state and was never made available to us. This again resulted in losing the total amount of \$11,000. DMH and IS officials are aware of this situation. As an alternative, we proposed to DMH to settle the \$1,521 by offsetting with the UOS lost due to the IS re-entering problem. We were promised to resolve this matter.

For 620 of the 715 minutes, IMCES inaccurately allocated the clinicians' time spent providing the group services between the participants that received the services. This over billing was human oversight, as we do have infrastructure in place to effectively and accurately bill DMH. IMCES data entry staff actively implements strategies to double check each item for billing and these strategies are monitored on a weekly basis. We do not anticipate any further group billing problems.

For 90 of the 715 minutes, IMCES billed twice for the same service. This was an isolated error which we do not anticipate in the future. As indicated earlier, IMCES has infrastructure in place that ensures that DMH billing is accurate.

For 5 of the 715 minutes, IMCES billed 35 minutes but the progress note to support the billed minutes indicates 30 minutes. Again, IMCES attributes this mistake to an isolated data input error which is not anticipated in the future.

Along with the aforementioned infrastructure and strategies, IMCES will continue to train the data entry staff to double check units of service reported on the service log sheets against the progress notes to ensure that each unit of service is accounted for and accurate. Furthermore, IMCES will maintain accuracy through continuous IS trainings.

Recommendation #2: Review billing for group services in November and December 2004 to identify instances in which they did not appropriately allocate a clinician's time between each participant that received those services. If similar instances are noted, the Agency needs to repay DMH for the amounts over billed and expand their review to include Fiscal Year 2004-05.

We were surprised with this recommendation, as it is inconsistent with the scope of this audit; the auditor-controller's letter indicated that this audit will be "a review of the Agency's billings to DMH for August and September 2004." In addition, this recommendation was not made to any other agency with the same or different type of error causing over billing, even though their amount of over billing was considerably higher. Also, we explained that this was a human error and not a procedural problem as the auditor perceived it to be. In fact, the person who was hired for billing at the time was a temporary part time staff person who was a DMH employee from the IS department.

Further, we believe this finding is a repeat of finding number one. As we have previously explained, the errors were related to the significant IS problem that every agency was experiencing and continue to experience. Until today, the DMH IS system is still unable to provide us with a full accounting of our UOS; this includes inputted and deleted UOS. Therefore, we do not believe that there is enough justification to generalize the isolated instance of over billing as a systematic agency problem in allocating a clinician's time between each participant. Over billing, if any, identified through the IS system could be corrected already, which means that the LACDMH has never paid IMCES for those over billed UOS. Up to now, LACDMH was not able to provide us with any form of reconciliation of missing, corrected, approved, and inputted UOS. Without such a reconciliation, an over billing of UOS certainly will not constitute an over billing of payment. In fact, we provided services over and beyond our contracted amount; however, the DMH payment structure does not allow payment over the maximum allocated amount of our contract.

Above all, we believe that we responded to the recommendation immediately in action and resolved it proactively at this point by deleting the units of service and submitting the IS verification to the auditor. Therefore, we feel like this request of going back two months or one year, even though we corrected the error by deleting the UOS from the IS, seems to be unreasonable as it is beyond the scope of the audit and that was not presented as part of the methodology of this audit. In addition, we

conducted a thorough review of our group billing for the months of November and December 2004. Specifically, we printed out the IS Report, per your recommendation, for those months and matched the report with our group logs and progress notes. This evaluation showed no discrepancy and all of the units of service were appropriately allocated between a clinician's time and each participant that received those services. The IS Report was submitted to the auditor for verification and our records are available anytime for review by DMH or any other entity for further verification. Needless to say, we will certainly redouble our efforts to ensure that our staff follows established monitoring procedures to make certain that all DMH billing remains accurate. Also, we will make every effort to resolve similar issues through the year-end reconciliation process.

Recommendation #3: Maintain sufficient documentation to support its compliance with contract requirements.

We believe that IMCES does maintain sufficient documentation to support its compliance requirements. IMCES acknowledges, however, that 195 units of service (6%) were not sufficiently documented. Mental Health services were billed, however the progress notes did not adequately describe what was attempted and/or accomplished by the individual or service staff towards achieving the clients' goal(s), as required by the County contract. Although the clinician did attempt to describe what was accomplished, the attempt was not perceived as adequate.

There is Quality Assurance infrastructure in place to train all service providers with the clinical skills necessary to document services appropriately. Additionally, staff will continue to be trained to write notes utilizing DMH documentation format. To continue our tradition of commitment to excellence in delivery of standard of practice and continuity of quality care, we will also provide additional training to clinical staff to ensure that progress notes directly address the client's goals and the clinician's interventions.

Recommendation #4: Ensure that the participants or legally responsible adults sign the participants' Client Plan or document the reasons why the plans were not signed.

IMCES makes every effort to get legally responsible adults' signatures on the Client Plan; however, we acknowledge that there were three unsigned Client Plans without satisfactory explanation in the documentation. IMCES ensures that there will be no further unsigned Client Plans. In the event that there are unsigned Client Plans, there will be sufficient documentation of the reasons why the plans were not signed. IMCES maintains a monitoring system that will not allow for another such oversight. Based on our new administrative procedure, no case is ever opened without all proper documentation and/or signatures.

We will make every effort to work with DMH staff to clarify and resolve all discrepancies. Again, thank you for the opportunity to receive constructive feedback. IMCES strives to make a difference in the lives of our clients and we understand that to do so effectively, we must be willing to grow and learn from past experience.

Should you have any further questions, please contact me at 213-381-1250.

Sincerely,



Tara Pir, Ph.D.
CEO/Executive Director